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EXAMINER

PATEL, JAGDISH

ART UNIT

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3693

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/036,605	<b>Applicant(s)</b> DODD ET AL.	
	<b>Examiner</b> JAGDISH N. PATEL	<b>Art Unit</b> 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 11 March 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-32 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-32 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

1. This communication is in response to amendment filed 3/11/09.

### ***Continued Examination Under 37 CFR 1.114***

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 3/11/09 has been entered.

### ***Reassignment of the Application***

3. Please note the change in the assignment of the Examiner. This application is now assigned to Examiner Jagdish Patel whose correspondence address is provided in the Conclusion of this action.

### ***Response to Amendment***

4. Claims 1, 11, and 14 have been amended. Presently claims 1-32 are pending of which claims 1, 11, 14, 24 and 27 are independent claims.

### ***Response to Arguments/Remarks***

5. Applicant's remarks concerning rejection of claims 1-32 under 35 U.S.C. 103(a) over Camin in view of Lent have been fully considered and are deemed

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persuasive rendering the rejection of the previous office action moot. However, the pending claims have been rejected under the new ground of rejection over newly found prior art. A detailed explanation is provided below under appropriate claim rejections.

The examiner has determined that prior art exists that teaches loan management software for the use by a loan servicer that provides all the business applications including the functions performed by the claimed invention(s) such as automatically performing audit and adjustment of a claim submitted by a servicer via a servicer terminal. The examiner request that the Applicants provide any additional information that may be relevant to the claimed invention and if so provide a concise explanation of relevance of such information (i.e. prior art reference(s)) to the claimed invention(s).

### ***Requirement for Information***

6. (a) (1)

Applicant of this application is required under 37 CFR 1.105 to provide the following information that the examiner has determined is reasonably necessary to the examination of this application.

The criteria stated in 37 CFR 1.105 for making a requirement for information is that the information be reasonably necessary to the examination or treatment of a matter in an application. The information required would typically

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be that necessary for finding prior art or for resolving an issue arising from the results of the search for art or from analysis of the application file.

The disclosure of the application suggests the applicant likely has access to information necessary to a more complete understanding of the invention and its context. In this situation, the record suggests that the details of such information may be relevant to the issue of patentability, and thus shows the need for the information.

Please provide the following information as appropriate.

(i) *Commercial databases*: The existence of any particularly relevant commercial database known to any of the inventors that could be searched for a particular aspect of the invention.

(ii) *Search*: Whether a search of the prior art was made, and if so, what was searched.

(iii) *Related information*: A copy of any non-patent literature, published application, or patent (U.S. or foreign), by any of the inventors, that relates to the claimed invention.

(iv) *Information used to draft application*: A copy of any non-patent literature, published application, or patent (U.S. or foreign) that was used to draft the application.

(v) *Information used in invention process*: A copy of any non-patent literature, published application, or patent (U.S. or foreign) that was used in the invention process, such as by designing around or providing a solution to accomplish an invention result.

(vi) *Improvements*: Where the claimed invention is an improvement, identification of what is being improved.

(vii) *In use*: Identification of any use of the claimed invention known to any of the inventors at the time the application was filed notwithstanding the date of the use.

(viii) *Technical information known to applicant*. Technical information known to applicant concerning the related art, the disclosure, the claimed subject matter, other factual information pertinent to patentability, or concerning the accuracy of the examiner's stated interpretation of such items.

(2) Where an assignee has asserted its right to prosecute pursuant to §3.71(a) of this chapter, matters such as paragraphs (a)(1)(i), (iii), and (vii) of this section may also be applied to such assignee.

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(3) Requirements for factual information known to applicant may be presented in any appropriate manner, for example:

(i) A requirement for factual information;

(ii) Interrogatories in the form of specific questions seeking applicant's factual knowledge; or

(iii) Stipulations as to facts with which the applicant may agree or disagree.

(4) Any reply to a requirement for information pursuant to this section that states either that the information required to be submitted is unknown to or is not readily available to the party or parties from which it was requested may be accepted as a complete reply.

The requirement for information of paragraph (a)(1) of this section may be included in an Office action, or sent separately.

A reply, or a failure to reply, to a requirement for information under this section will be governed by §§1.135 and 1.136.

### ***Claim Rejections - 35 USC § 112***

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1-32 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 is indefinite due to clear recitation of functionality of each structural component of the system in conjunction with other component(s).

Examples: The central server is recited as receiving inputs from and providing outputs to a servicer terminal connected into a network. However, the servicers terminal is recited as capturing data from a servicer initially submitting a mortgage insurance claim to an insurer .. In other words no communication of the

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actual mortgage insurance claim data captured at the servicer terminal is specified.

No functionality of the central server other than inputs/outputs from/to the servicers terminal is recited. Thus the function of the central server is unclear in absence of its functional relationship to the other two components, namely, the claims database and the claim audit rulebase. Are these components a structural part of (and linked to or accessible by) the central sever?

The claim audit rulebase is recited as “including rules directed to determine whether loss can be mitigated by acquisition by the insurer of a property subject to the insured mortgage loan”. It is unclear what specific role this feature plays in the system process since data pertinent to the loss mitigation are not input to the claim audit rulebase. It is suggested that the claim be amended to specify on what basis the rulebase determines that the loss can be mitigated by acquisition of the property. In the present claim(s) this critical information is missing.

The deficiency outlined above is also present in independent claims 11, 14, 24 and 27. Dependent claims do not resolve this deficiency.

Furthermore, claim 1 recites a claims database and a claim audit rule base as structural components (both are software) but fails to provide (hardware) structure on which they are disposed. For example, a computer or server must have access to these components such that the requisite functions are carried out.

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Dependent claims 2-10 do not resolve the deficiencies of independent claim 1 and therefore, stand rejected under the same rationale.

Claim 4 fails to specify requisite information communicated to the document generator for generating a settlement letter. For example, it is unclear on what basis the settlement letter is generated by the document generator.

Claim 11 recites a transaction server accessing a claim audit rulebase and a claim database. The claim, however, fails to state what data is stored in the claims database and accessed by the transaction server and how the stored data is relevant to the process performed by the transaction server.

Dependent claims 12-13 do not resolve the deficiencies of independent claim 1 and therefore, stand rejected under the same rationale.

Claim 12 fails to specify (structure pertaining to) requisite information communicated to the document generator for generating a settlement letter. For example, it is unclear on what basis the settlement letter is generated by the document generator.

Claim 17 also contains similar deficiency.

Claim 18 recites limitation "the calculated claim amount". There is no positive antecedent basis in claim 14 for this limitation.

Claim 19 recites limitation "policy exceptions identified by the claim audit rulebase". There is no positive antecedent basis in claim 14 for this limitation.

Claim 24 recites accessing a claim audit rulebase and a claim database. The claim, however, fails to state what data is stored in the claims database and



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accessed by the transaction server and how the stored data is relevant to the process performed by the transaction server.

Claim 24 recites step (c) accessing a claim audit rulebase and a claim database. This renders the claim indefinite because the claim audit rulebase is a software component and cannot be accessed and cannot be processed without being linked to a processor.

dependent claims 25-26 also inherit this deficiency of claim 24.

Claim 27 and dependent claims 28-29 are indefinite because of the following reasons:

-it is unclear where the "claim audit rulebase" is disposed structurally whereby it interacts with the mainframe (a type of server), the claim does not specify any communication of the identified claim, noting that a software module such as the claim audit rulebase cannot be functional on its own,

-it is unclear what information "each identified claim" contains that is pertinent to the execution of the claim audit rulebase, in this regard the rules cannot be executed for determining if loss can be mitigated by acquisition by an insurer of a property because data pertaining to acquisition of the property and the loss to be realized are not provided.

### ***Claim Rejections - 35 USC § 102***

9. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

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A person shall be entitled to a patent unless –

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for a patent.

10. Claims 1-26 and 30-31 are rejected under 35 U.S.C. 102(a) as being clearly anticipated by Sellers et al. (US Pub No. US 2001/0044773A1) (Sellers).

As per claim 1 Sellers teaches a system for automatically submitting and processing mortgage insurance claims (Fig. 1, [0025], , comprising:

a central server computer [Fig. 2, see label 50] for receiving inputs from, and providing outputs to, a servicer terminal connected into a network [Fig. 2, see labels 12, [0027]] , the servicer terminal capturing data from a servicer submitting a mortgage insurance claim [0026, loan servicer submits proposed workout] ;

a claims database connected into the network, containing data relating to the mortgage insurance claim; [Figure 2, Database 58],

a claim audit rulebase connected into the network, for automatically performing an audit and adjustments of the submitted mortgage insurance claim, providing results of the audit and adjustments to the servicer at the servicer terminal, and presenting the servicer with an option to interact with a claim representative to resolve any issues (see description and functions of “e-LMO Fast Track”, at least refer to [0024]-[0026], [0028].

Claim 2. the system displays to the servicer at the servicer terminal a claim submission form including data entry fields for receiving claim data. [0027]-[0028]

Claim 3. The system of claim 2, wherein the data entry fields include fields that are automatically pre-filled by the system using stored data. [0047]

Claim 4. The system of claim 1, further including a document generator connected into the network, for generating a settlement letter to be sent to the servicer. [Fig. 8]

Claim 5. The system of claim 1, wherein if the claim audit rulebase determines that a payment is to be made on the submitted claim, the servicer is provided with a projected date of payment. [Fig. 8]

Claim 6. The system of claim 1, wherein the servicer is provided with a detailed explanation of policy exceptions identified by the claim audit rulebase. [0029]

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Claim 7. The system of claim 1, further including: a claim representative terminal connected into the network for allowing a servicer to communicate with a claim representative.

[0030]

Claim 8. The system of claim 7, wherein the servicer communicates with the claim representative using e-mail.

[0030]

Claim 9. The system of claim 1, wherein the servicer terminal runs a web browser, and wherein the system includes a web server computer for sending web pages to the servicer terminal.

[0030]-[0032]

Claim 10. The system of claim 9, further including a transaction server for relaying data among the central server computer, the claim audit rulebase, and the claims database.

[0051]

Claim 11. A system for automatically processing mortgage insurance claims, comprising:

a web server administering a network of servicer terminals connected into a network, each servicer terminal running web browser software for viewing web pages served by the web server, the web pages including a claim submission form for receiving claim submission data from a servicer at a servicer terminal; ([0030], web-server computer 50)

and a transaction server connected to the web server, the transaction server accessing a claim audit rulebase and a claims database to automatically perform an audit and adjustment a claim submitted at a servicer terminal, and to automatically provide results of the audit and adjustment to the servicer at the servicer terminal.

([0028] through [0031] and [0051]-[0052]).

Claim 12. The system of claim 11, further including: a document generator connected to the web server for generating a settlement letter.

[Fig. 8]

Claim 13. The system of claim 11, further including: a network of claim representative terminals connected to the web server for allowing a servicer at a servicer terminal to communicate with a claim representative at a claim representative terminal.

[Fig. 2, see Personal computer/work stations 12, which can be operated by a claim representative terminals, please refer to the role of a workout representative at [0035], the claim representative terminal is therefore, inherent in Sellers].

Claim 14. All limitations of claim 14 have addressed as process functions of claims 1, 11 and 13 combined.

Claim 15. Refer to claim 2 analysis.

Claim 16. Refer to claim 3 analysis.

Claim 17. Refer to claim 4 analysis.

Claim 18. Refer to claim 5 analysis.

Claim 19. Refer to claim 6 analysis.

Claim 20. Refer to claim 4 analysis. Noting that Sellers teaches a plurality of servicer terminals 12. A loan servicer thus includes claim representative with respective workstation

Claim 21. The method of claim 20, further including:  
providing a network connection between the servicer terminal and a claim representative terminal to allow a servicer to communicate with a claim representative using e-mail.  
[refer to [0035] which refers to workout representative]

Claim 22. Refer to claim 9 analysis.

Claim 23. The method of claim 14, further including: using a transaction server for relaying data among the central server computer, the claim audit rulebase, and the claims database.  
([0028] through[0031]).

Claim 24. Refer to claim 11 analysis where corresponding system is analyzed.

Claim 25. further including the following step (e): (e) generating a settlement letter.  
(Fig. 8 and [0049])

Claim 26. further including: connecting a network of claim representative terminals to the web server to allowing a servicer at a servicer terminal to communicate with a claim representative at a claim representative terminal.  
[refer to [0035] which refers to workout representative]

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Claim 30. The system of claim 1, wherein the servicer terminal captures data relating to the value of a property securing the insured mortgage loan.

[0040]-[0045]

Claim 31. ( The system of claim I, wherein the servicer terminal captures data relating to unpaid interest due and expenses incurred as a result of default by a borrower.

[0040]-[0045]

### ***Claim Rejections - 35 USC § 101***

11. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 24-29 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

In order for a process to be statutory under 35 U.S.C. 101 it must (1) be tied to another statutory class (such as a particular apparatus or machine) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. See recent decision by The U.S. Court of Appeals for the Federal Circuit decision in *Bilski* which Established Machine-Or-Transformation Test for statutory process. Prior to this in *Gottschalk v. Benson*, 409 U.S. 63, 71, 93 S.Ct. 253, 34 L.Ed.2d 273 (1972), the Supreme Court reiterated the proposition that "a process patent must either be tied to a particular machine or apparatus or must operate to change articles or materials to a `different state or thing.'" The Court referred to the well established definition of "process" stated in *Cochrane v.*

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*Deener*, 94 U.S. 780, 788, 24 L.Ed. 139 (1877). "A process is a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing." Alternatively, "A process is a mode of treatment of certain materials to produce a given result. It is an act, a series of acts, performed upon the subject- matter to be transformed and reduced to a different state or thing." 308 F3d 1304 *Schumer v. Laboratory Computer Systems Inc*, 64 USPQ2d 1832, 1838 n 6 (Fed. Cir.2002).

In the instant case, none of the process steps of the method claims are tied to an apparatus such as a computer, nor do they transform a subject matter to a different state or thing. Accordingly, the claimed invention fails to qualify as a statutory process under the Guidelines.

Example: In claim 24, none of the steps (a) -(d) are performed by an apparatus. Step (a) using a web server is manual step because an user uses the web server. Step (b) - (c) while recite that the process is performed "automatically" do not positively state that such process is carried out using an apparatus.

Dependent claims 25-26 do not resolve this deficiency.

Claim 27 recites various steps which are treated as "post-solution" and "pre-solution" activities such as steps (a)-(b) and (g)-(h). Steps (c)-(f) are performed manually since there is no positive recitation that these steps are performed by an apparatus. Dependent claims 28-29 do not resolve this deficiency.

***Claim Rejections - 35 USC § 103***

12. Claims 27-29 and 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sellers et al. (US Pub No. US 2001/0044773A1) (Sellers) and further in view of Gwendolyn Glenn; "Loan Management Software Gets Warm Reception", Real Estate Finance Today, Feb. 8, 1999. Vol. 16, Iss.5; pg. 6 (Gwendolyn Glenn).

Regarding claims 27-29 recites a method whereby the "claim audit rulebase" (which is referred in Sellers as "e-LMO Fast Track Sytem") is executed using a process which is referred to in the art as "batch-processing" whereby a series of programs ("jobs") are executed on a computer. Steps (a)-e) are inherent to such batch processing. Gwendolyn Glenn teaches processing Loss Mitigation for a plurality of loss claims by a client, whereby a HUD claims are submitted via an EDI transmittal for processing. Furthermore the client manages the status of the claims. (see entire document). Sellers teaches web implement of the process as discussed in claims 11 and 24. It would have been obvious to one of ordinary skill in the art at the time of the invention to have Sellers modified in view of Gwendolyn Glenn in order to improve efficiency and economy of processing large number of loss claims.

Claim 32 Whereas Sellers teaches a system for automatically processing mortgage insurance claims substantially as in claim 2, it does not teach that the claim form includes provisions for submission of all data specified by the Uniform Mortgage Insurance Claim for Loss.

However, the examiner notes and takes official notice that Uniform Mortgage Insurance Claim for Loss (Form 1015) is old and well known for submitting the mortgage insurance claim for loss. It would have been obvious to one of ordinary skill in the art at the time of the invention to have the provisions included as per Form 1015 as matter of convenience.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (571) 272-6748. The examiner can normally be reached on Monday – Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **KRAMER JAMES A** can be reached on **(571)272-6783**. The fax phone number for the organization where this application or proceeding is assigned is **571-273-8300**.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

/JAGDISH N PATEL/

Primary Examiner, Art Unit 3693